

H-3105-1 - COOPERATIVE CONSERVATION PROVISIONS

Format for Decision Showing Extension of
Lease Eliminated from Unit



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3107 (Office Code)

Lessee
(Address)

DECISION
:
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:

Oil and Gas

Unit Contraction Noted
Insert if applicable: Lease Term Extended
Insert if applicable: Annual Rental Due

Contraction of the (Name) unit agreement, (Serial number), was approved effective (Date). As a result of the contraction, oil and gas lease (Serial number) is no longer committed to the unit. The effect that the unit contraction has on the term of the lease is checked below.

1. The term of the lease surpasses the length of the 2-year extension provided under the regulations at 43 CFR 3107.4. Therefore, the lease term remains as originally issued, but the lease is no longer subject to the provisions and terms of the (Name) agreement, (Serial number).
2. Pursuant to the regulations at 43 CFR 3107.4, the lease term is automatically extended 2 years through (Date) and for so long thereafter as oil or gas is produced in paying quantities.
3. Pursuant to the regulations at 43 CFR 3107.4, the lease term is automatically extended 2 years through (Date) and for so long thereafter as oil or gas is produced in paying quantities. The lease is in a producing status and minimum royalty or royalty will continue to be due and payable to the Minerals Management Service, Royalty Management Program. This extension has been granted in the event production ceases before the expiration date of the 2-year extension.
4. _____ The lease contains a well that was at one time capable of producing oil or gas in paying quantities. Therefore, the lease account will remain on a minimum royalty basis with the Minerals Management Service, Royalty Management Program through the expiration date of the lease.

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5. _____ The lease has never contained a well capable of production in paying quantities, therefore, the lease account is changed in the Minerals Management Service (MMS) automated lease account system from a nonterminable (producing) status to a nonproducing (terminable) status with advance rental due on or before (Date), the next anniversary date of the lease after the effective date of unit contraction. Failure to pay the rental timely will result in automatic termination of the lease. If payment was made to the MMS prior to receipt of this decision and such payment constituted your required rental, please contact (Name and phone number).
(INSERT, WHEN APPLICABLE: Since such anniversary date has passed, you are hereby allowed a period of 30 days from receipt of this decision in which to pay to the MMS the amount due in accordance with the Interior Board of Land Appeals (IBLA) decision, Husky Oil Co., 5 IBLA 7, 79 I.D. 17 (1972).

Authorized Officer

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MMS-DMD, MS 3110
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